## Message Text

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PAGE 01 GENEVA 05418 051559Z ACTION IO-14

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TAGS: UNDP, TCDC, EAID

SUBJECT: 24TH UNDP GOVERNING COUNCIL - TECHNICAL COOPERATION AMONG

DEVELOPING COUNTRIES (TCDC): ITEM 12

REF: GENEVA A-178

1. SUMMARY: FUNCTIONING PRIMARILY IN WORKING GROUP FORMAT AND WITH HIGH LEVEL UNDP ATTENTION, SESSIONAL COMMITTEE LABORED ENTIRE WEEK TO FORGE CONSENSUS ON RECOMMENDATIONS ON REGULATIONS, PROCEDURES AND PRACTICES FOR EFFECTUATING TCDC (DP-229) AND TO REMOVE REMAINING RESERVATIONS ON 1974 WORKING GROUP REPORT (DP-69). PRINCIPAL ISSUES WERE: ELABORATED INFRASTRUCTURE IN FORM OF REGIONAL CENTERS, QUANTITA-

TIVE GOALS VS ARTIFICAL TARGETS, PREFERENCES AND PAYMENTS. SPIRIT OF COOPERATION AND COMPROMISE PERMITTED ACHIEVEMENT OF CONSENSUS AND REMOVAL OF REMAINING RESERVATIONS. INDUSTRIAL STATES SUCCEEDED IN CIRCUMSCRIBING LDC - SPONSORED MEASURES ON PRIORITIES IN RECRUITMENT AND PROCUREMENT.

2. PARTICIPATION AND STRUCTURE: SESSIONAL COMMITTEE ON TCDC LAUNCHED BY UNDP ADMINISTRATOR MORSE AND DEPUTY ADMINISTRATOR I.G. PATEL. UNCLASSIFIED

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PAGE 02 GENEVA 05418 051559Z

LATTER DESCRIBED TCDC AS ONLY A PART OF THE DEVELOPMENT PICTURE AND OPINED THAT INPUTS FROM LDCS SHOULD BE MORE ECONOMICAL, HENCE ADVANTAGEOUS TO ENTIRE TECHNICAL ASSISTANCE EFFORT. HOWEVER, SUCH INPUTS WERE AUGMENTATION OF TOTAL RESOURCES, NOT SUBSTITUTION FOR DEVELOPED COUNTRY CONTRIBUTIONS. IN UTILIZATION OF LDC RESOURCES, THERE SHOULD BE NO SACRIFICE TO QUALITY. FINALLY, TCDC IS NOT SEEN AS CONFINED TO UNDP BUT DESIGNED FOR IMPLEMENTATION THROUGHOUT

## DEVELOPMENT SYSTEM.

- 3. SOME 20 DELEGATIONS PARTICIPATED IN ACTIVE DEBATE AND NEGOTIATIONS WITH LDCS BEING LED BY ARGENTINA, BRAZIL, INDIA AND MEXICO WHILE DEVELOPED COUNTRIES WERE MOST ACTIVELY REPRESENTED BY CANADA, FRG, FRANCE, NETHERLANDS, NORDIC STATES, UK AND USA. ALTHOUGH PROVISION WAS MADE FOR PLENARY STATEMENTS, MOST WORK AND THE MAJORITY OF TIME WAS IN WORKING GROUP FORMAT PERMITTING BUSINESS-LIKE PROGRESS THROUGH EXTENSIVE DOCUMENTATION AND LENGTHY RECOMMENDATIONS.
- 4. ITEMS AND ISSUES: DP/229 WITH ITS 16 ELABORATED RECOMMENDATIONS COMMANDED MAJOR ATTENTION WITH THE REMAINING WESTERN RESERVATIONS ON DP/69 BEING ADDRESSED IN THE LIGHT OF CONSENSUS ACHIEVED ON THE FORMAL REPORT. RECURRENT THEMES IN BOTH FORMAL STATEMENTS AND INFORMAL DEBATE WERE THE EFFICACY OF THE FIVE PROPOSED "REGIONAL CENTERS FOR RECRUITMENT, CONTRACTING, FELLOWSHIP PLACEMENT AND PROCUREMENT"; THE ACCEPTABILITY OF QUANTITATIVE GOALS OR TARGETS WITH REGARD TO RECRUITMENT AND PROCUREMENT FROM LDC SOURCES; THE ASSIGNMENT OF PREFERENCES AND PRIORITIES FAVORING THE LDCS AND PAYMENT FOR LDC PRODUCTS IN HARD CURRENCIES.
- 5. DEBATE AND DECISIONS ON DP/229: DEVELOPED AND DEVELOPING COUNTRY SPOKESMEN JOINED IN REJECTING THE PROPOSAL FOR REGIONAL CENTERS AND THEIR FINANCING FROM THE UN REGULAR BUDGET. HOWEVER, COMMITTEE ACCEPTED THE IDEA OF GREATER FLEXIBILITY IN DETERMINING CRITERIA FOR THE SELECTION OF EXPERTS AND CONSULTANCIES FROM LDCS. UNCLASSIFIED

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PAGE 03 GENEVA 05418 051559Z

LIKEWISE ACCEPTABLE WERE MODIFICATIONS IN SPECIFICATIONS FOR PRODUCTS SO AS TO ELIMINATE THOSE ADDRESSED TO AETHETICS AND FINISH. LINKED WITH THIS FLEXIBILITY WAS THE NEED TO REDRAW REQUIREMENTS SO THEY REFLECT MORE ACCURATELY PRAGMATIC NEEDS. CANADA SET THE TONE ON PROCUREMENT BY ARGUING THAT LDC INPUTS WOULD NOT NECESSARILY DECREASE OVERALL QUALITY NOR NECESSARILY IMPROVE PROGRAM ASSISTANCE. CALLED FOR BEST INPUT REGARDLESS OF SOURCE.

6. CONSIDERABLE ATTENTION GIVEN TO ACCORDING PREFERENCE TO LDC RESOURCES WHERE QUALITY AND COST ARE COMPARABLE TO THAT OBTAINABLE FROM DEVELOPING COUNTRY. COSTING WAS TO INCLUDE SUCH ELEMENTS AS SPARE

PARTS, MATERIALS AND MAINTENANCE AS WELL AS DUTIES ON IMPORTED COMPONENTS AND RAW MATERIALS.

7. DECISIONS ON DP-69: RESIDUE OF RESERVATIONS BY INDUSTRIALIZED COUNTRIES ON DP/69 (WORKING GROUP REPORT ON TCDC, 1974) CENTERED UPON PARAS 43, 44 AND 46. SWEDEN SPEAKING FOR NORDIC COUNTRIES OFFERED TO ACCEPT "NON-BINDING TARGETS" IN REGARD TO SELECTION OF FELLOWSHIPS, CONSULTANCIES AND EXPERTS FROM LDCS. CANADA, FRG AND US WARNED OF THE DANGERS INHERENT IN ARTIFICIAL TARGETING ESPECIALLY AS REFLECTED IN QUALITY, EFFICIENCY AND ECONOMY OF TECHNICAL ASSISTANCE. PARA

43D, FOLLOWING EXTENSIVE DEBATE AND SEVERAL COMPLEMENTARY AMENDMENTS, CHANGED TO READ: "LISTS OF EXPERTS...SHOULD INCLUDE, WHENEVER PRACTICABLE AND PROVIDED IT IS CONSISTENT WITH THE INTERESTS OF THE PROMPT IMPLEMENTATION AND MAXIMUM EFFECTIVENESS OF THEPROJECT, AT LEAST 50 PERCENT FROM DEVELOPING COUNTRIES...". FOREGOING FORMULATION DEVISED TO EFFECTIVELY CIRCUMSCRIBE THE CONCENTRATION ON LDC SOURCES. HOWEVER "LISTS" PER SE DO NOT TRANSLATE INTO RECRUITMENT WHICH IS FUNCTION OF RECIPIENT COUNTRY.

8. ATTEMPT BY BRAZIL TO EXTEND 50 PERCENT FORMULA TO PARA 44 FAILED AND AS ACCEPTED IT CALLS FOR THE INCLUSION OF A "REASONABLE PROPORTION OF FACILITIES AND SERVICES FROM DEVELOPING COUNTRIES IN THE OFFERS SUBMITTED TO GOVERNMENTS".

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PAGE 04 GENEVA 05418 051559Z

9. URBAN CAPER: USDEL OFFERED AMENDMENT TO PARA 46 RESTRICTING PAY-MENT IN HARD CURRENCY FOR LDC RESOURCES TO CASES WHERE NO LOCAL

NON-CONVERTIBLE CURRENCIES HAD ACCUMMULATED - IN WHICH CIRCUMSTANCES SUCH LOCAL CURRENCIES WOULD BE USED IN PAYMENT. DURING ACTION ON FINAL TCDC REPORT TWO WEEKS LATER, CUBA SOUGHT TO REOPEN ISSUE OF HARD CURRENCY PAYMENT FOR PORTION OF LOCAL PRODUCTS REPRESENTED BY IMPORTED COMPONENTS FOR WHICH HARD CURRENCY PAYMENT HAD BEEN MADE. ADMINISTRATIVE NIGHTMARE IN IMPLEMENTATION OF SUCH PROVISION CAUSED REJECTION BY CANADA, FRG, UK AND US. FOLLOWING DAY, CUBA ACCEPTED MODIFIED LANGUAGE ON PARA 46 WHEREBY ADMINISTRATOR WOULD CONSIDER IMPLICATIONS OF DUAL CURRENCY PAYMENTS AND REPORT FINDINGS.

10. FULL TEXT OF TCDC REPORT AND DECISIONS BEING POUCHED.

11. CONCLUSIONS: DEBATE ON TCDC REPORTS, WHILE INTENSE AND SOMEWHAT PROTRACTED, WAS CONDUCTED IN BUSINESSLIKE FASHION AND SERIOUS GOOD FAITH. WEO DELEGATIONS ON WHOLE SHOWED GREATER COHERENCE THAN DID LDCS WHO EXHIBITED EXPECTED DIFFERENCES BETWEEN MORE ADVANCED COUNTRIES AND THOSE LEAST DEVELOPED. LESS EXPECTED WERE DIVISIONS BETWEZZSQINA AND BRAZIL WITH FORMER TAKING GENERALLY MORE ACCOMMODATING LINE. INDIA LIKEWISE SOUGHT VIABLE COMPROMISES EVEN TO POINT OF ISOLATION FROM OTHER DEVELOPING COUNTRIES. MAJORITY OF COUNTRIES SHOULD TO AVOID EXPENSIVE PROCEDURES AND CREATION OF LARGER BUREAUCRACIES. WITH CONSENSUS ON DP/229 AND REMOVAL OF REMAINING RESERVATIONS ON DP/69, TCDC DISCUSSIONS CAN NOW CONCENTRATE ON MODIALITIES FOR BRINING GREATER AMOUNT OF LDC RESOURCES INTO RESERVOIR OF TECHNICAL ASSISTANCE ACTIVITY.SORENSON

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